

I thank the senior Senator from New York, and I thank our colleagues and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. I yield 19 minutes to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I thank the chairman of the committee for yielding me so much time and for letting me speak last on our side as we begin the amendment process.

We have heard some awfully strong language here. Our colleague from West Virginia begs us not to give Americans back some of this money that we have taken from them in taxes.

We are projecting a \$3 trillion surplus over the next 10 years. Nobody disputes that. We have before us a bill that would give about 25 cents out of every dollar of the projected surplus back to taxpayers. Our Democrat colleagues say: Please, don't do that. Our President is quoted in AP on July 25 as saying that our effort to give 25 cents out of every dollar of projected surplus over the next 10 years back to working people in tax cuts "will imperil the future stability of the country." In fact, yesterday the President said it would hurt women's health care. Perhaps today it will be that it will bring back the bubonic plague.

But it is clear that the President is against giving back 25 cents out of every dollar of surplus—out of every dollar we are taking in above what the Government needs. He thinks giving back 25 cents out of every dollar is too much.

Our Vice President says that the tax cut before us is a "huge, gigantic, risky tax scheme."

This is very extreme language we are hearing. Let me try to explain why it is so shrill. It is shrill for two reasons, really.

No. 1, giving people back their money so they can spend it themselves rather than Government spending it for them hardly seems extreme to the American people. With the projected surplus of \$3 trillion, giving about one-fourth of it back in tax cuts hardly seems extreme.

But the other reason the President and his supporters are so shrill is, the President is not telling the truth. Let me explain why.

I have a chart here that has the cover page and one page of text of the analysis of what is called the Mid-Session Review. This is an analysis by the nonpartisan Congressional Budget Office that was just completed of the President's budget; that is, what he proposes we do with the surplus, what the budget adopted by the Congress proposes we do with the surplus; and then it compares the two. The important point being, this is not me talking, this is not Bill Clinton talking, this is the nonpartisan Congressional Budget Office talking.

To listen to the President and to listen to our Democrat colleagues, you

get the idea that this is a debate between cutting taxes and paying down debt. The problem is, that is not what the debate is about. This White House has turned misinformation into an art form. Here is the living proof of it.

In the analysis of the Mid-Session Review that was just published by the Congressional Budget Office, the Congressional Budget Office basically has two findings. One, while the President had initially proposed spending some of the Social Security surplus, we have so shamed the administration that they now have agreed with us that the roughly \$2 trillion of surplus caused by Social Security should be set aside to either pay down debt or to fix Social Security.

It is interesting that we have voted many times on a lockbox procedure to require that that money not be spent, and we have been unable to get the support of the minority in making that the law of the land. But that is something that at least to this point we have agreed on.

Where the disagreement is—and the Congressional Budget Office shows it very clearly—is, what do you do with the non-Social Security surplus? Basically, what the Congressional Budget Office finds, that the administration desperately does not want anybody to know, is that their answer is, spend it. They are not paying down any debt with the nondefense discretionary surplus. In fact, over a 10-year period they spend every penny of it. And they spend so much money in their budget that in 3 of the years they have to plunder the Social Security trust fund, basically, in contrast to what they have committed to do.

In fact, the Congressional Budget Office concludes, in looking at their own budget—and, again, this is the nonpartisan CBO—that in total, the President, over the next 10 years, would spend \$1.033 trillion of the non-Social Security surplus, which is a little more than the entire surplus.

So when our colleagues are saying, don't give money back to taxpayers, pay down the debt, they are not talking about their program. The problem is, and the frustration is, if the President stood up and told the truth and said, don't give this money back to families, let me spend it, don't give this money back to working couples because they can't do as good a job spending it as the Federal Government could, then we could have a meaningful debate. But it is hard to have a meaningful debate because the administration basically is engaged in a concerted effort to mislead people.

But numbers and facts are persistent things. The Congressional Budget Office concludes two things about the Clinton budget that are devastating. No. 1, it would spend an additional \$1.033 trillion more than the budget we have adopted and the spending caps to which the President is committed.

Secondly, and equally devastating, despite all this talk about buying down

debt, with Chairman ROTH's tax cut, the budget adopted by Congress, which includes this tax cut, still pays down the Federal debt \$219 billion more than the President's budget. Why? Because Senator ROTH's tax cut gives \$792 billion back to working families. The President's budget spends \$1.033 trillion. As a result, even after the tax cut, the Republican budget reduces debt held by the public by \$219 billion more than the President's budget.

So his rhetoric is great. His sound bites are flawless. But the point is, he is not telling the truth. The reality is, the President proposes to spend every penny of the discretionary surplus on Government programs and plunders Social Security for additional money in 3 out of the next 10 years.

So the debate is not between reducing debt and cutting taxes. The debate is between letting Government spend the money or letting the taxpayer spend the taxpayer's own money.

But in addition to that, the tax cut that is being called "huge," "vulgar," "dangerous," by President Clinton and his supporters is actually substantially smaller than the massive spending spree the President would take us on with 81 programs.

I ask you, how can it be more dangerous to start to cut taxes by \$792 billion with a trillion-dollar surplus than it is to fund 81 programs and spend \$1.033 trillion? Obviously, no one can argue that it is even equally dangerous. So what does the President do? He basically does not tell the truth.

Point No. 2, let's talk about: Why a tax cut now?

This chart really shows the highest 7 years in American history, in terms of the tax burden on working American families. The highest tax burden in American history by the Federal Government was in 1945 when Harry Truman was President. By the way, 38 cents out of every dollar earned in America is what we were spending on defense in 1945. That was the highest tax burden in American history.

The second highest tax burden in American history is today. Under President Clinton, in the year 2000—which is the budget year we are considering—the Federal Government will take 20.6 cents out of every dollar earned by every American. That is the second highest Federal tax burden in American history.

The third highest is under President Clinton in 1999.

The fourth highest was under President Clinton in 1998.

The fifth highest was under Franklin D. Roosevelt in 1944, when defense was 37 percent of the economy.

The sixth highest was under Bill Clinton in 1997. Hence, why we have on this chart "Cause of Record Taxes: War and Clinton."

The seventh highest tax burden in American history was the day Ronald Reagan became President. What did we promptly do? We cut taxes by 25 percent. So we have never had, except